

LISTING OF CLAIMS:

1-3. (canceled)

4. (Previously presented) A method of manufacturing water emulsion fuel using a series of batch processing steps comprising:

- (a) charging a fuel and an additive into a mixing tank containing substantially no water emulsion fuel;
- (b) agitating the fuel and the additive charged into the mixing tank;
- (c) charging water into the mixing tank and forming a mixture solution of the fuel, additive and water;
- (d) reducing cluster sizes of the fuel and water in the mixture solution by pumping the mixture solution through a processing means and returning the mixture solution into the mixing tank;
- (e) separating the mixture solution in the mixing tank and forming a water rich portion thereof; and
- (f) emulsifying the mixture solution from the mixing tank through the processing means and returning the mixture solution to the mixing tank.

5. (Currently amended) The method of manufacturing water emulsion fuel according to claim 4, wherein the water rich portion of the mixture solution is firstly pumped emulsified in step (f) by pumping through the processing means prior to another portion of the mixture solution being emulsified in step (f) by pumping through the processing means.

6. (Previously presented) The method of manufacturing water emulsion fuel according to claim 4, wherein agitating of the fuel, additive and water in the mixing tank is simultaneously performed with the reducing cluster sizes of the fuel and water.

7. (Previously presented) A method of manufacturing water emulsion fuel using a series of batch processing steps comprising:

- (a) charging a fuel and an additive into a mixing tank containing water emulsion fuel;
- (b) agitating the water emulsion fuel together with the fuel and additive;
- (c) charging water into the mixing tank and forming a mixture solution; and
- (d) emulsifying the mixture solution by pumping the mixture solution from the mixing tank through a processing means, which reduces cluster sizes of the fuel and the water in the mixture solution, and returning the mixture solution to the mixing tank.